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To: Pharmacy Providers

Advance Payments to Pharmacies

On the January 20, 2006 checkwrite Medicaid issued advance payments to pharmacies to help ease the financial burden of the Part D transition including the number of claims processing problems with the new Prescription Drug Plans (PDPs). This one-time payment was based on the dollar amount paid for those with Medicare and full Medicaid (Full duals) during the month of December 2005. The payment was 75% of the dollar amount paid for December as long as the paid amount exceeded \$5,000. The initial one-time payment advance will not be collected by Medicaid on March 17, 2006. The one-time payment advance will be collected by Medicaid from Retail Pharmacy Providers on April 21, May 19, and June 16, 2006. There is no change in the repayment date for Long-term Care Pharmacy Providers

February 28, 2006